



**Special Committee on Business and Industry
Agenda Packet**

Governor
Arnold Schwarzenegger

Chair
Lawrence Gottlieb

Executive Director
Brian McMahon

Wednesday
March 8, 2006
10:30 a.m. — 1:00 p.m.

The DIRECTV Group, Inc.
2250 E. Imperial Highway
12th Floor, Room 12-69
El Segundo, CA



**Special Committee on Business and Industry
MEETING NOTICE**



Lawrence Gotlieb
Chairman

Christine Essel
Vice Chair

**The DIRECTV Group, Inc.
2250 E. Imperial Highway
12th Floor, Room 12-69
El Segundo, CA 90245**

**Wednesday, March 8, 2006
10:30 a.m. – 1:00 p.m.**

Arnold Schwarzenegger
Governor

Brian McMahon
Executive Director

AGENDA

- 1. Welcome and Opening Remarks**
 - **Jamil Dada, Chair**
- 2. Action - Approval of Meeting Summary**
 - **October 12, 2005 Meeting**
- 3. Update on the Workgroup for Establishing a Basic Level of Business Services in the One-Stops**
- 4. Discussion – California Association for Local Economic Development Survey Results**
- 5. Discussion – California Manufacturers and Technology Association Survey Results**
- 6. Discussion – High Wage High Growth Job Strategies**
- 7. Public Comment**
- 8. Other Business that May Come Before the Committee**

Meeting conclusion time is an estimate; meeting may end earlier subject to completion of agenda items and/or approved motion to adjourn.

In order for the Special Committee to provide an opportunity for interested parties to speak at the public hearings, public comment may be limited. Written comments provided to the Special Committee must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply.

Individuals who require accommodations for their disabilities (including interpreters and alternate formats) are requested to contact the California Workforce Investment Board staff at (916) 324-3425 at least ten days prior to the meeting. TTY line: (916) 324-6523. Please visit the California Workforce Investment Board website at <http://www.calwia.org> or contact Teresa Gonzales for additional information.

Welcome and Opening Remarks

- **Jamil Dada, Chair**

Action – Approval of Meeting Summary

- **October 12, 2005 Meeting**

**Business and Industry Special Committee
Meeting Summary
Sacramento, California
October 12, 2005**

Committee Members Present

Jamil Dada, Chair
Stewart Knox, Vice Chair
Bob Balgenorth
Charlie Brown
Jerry Butkiewicz

Warren Jackson
Ed Munoz
Paul Saldana
Willie Washington

Welcome and Opening Remarks

The Chair, Jamil Dada, began the meeting by welcoming the newest Committee members Jerry Butkiewicz, Stewart Knox, and Edward Munoz. Mr. Dada also announced that Mr. Knox will serve as the Vice Chair and invited him to share his biography with the committee.

Mr. Dada then outlined that the primary focus of the meeting would be the development and discussion surrounding a proposed vision for business services. In addition, the committee would be hearing an update from State Board staff regarding the proposal for establishing Basic Business Services and presentations on survey tools under consideration.

Approval of July 28, 2005, Meeting Summary of Breakout Session

Mr. Dada asked members if they had reviewed the July 28 breakout session meeting summary and asked if there were any changes or additions. Members unanimously approved the minutes as recorded.

Approval of August 24, 2005 Committee Meeting Summary

Mr. Dada asked members if they had reviewed the August 24, 2005 meeting summary and asked if there were any changes or additions. Members unanimously approved the minutes as recorded.

Discussion and Development of Proposed Vision for Business Services

Mr. Dada indicated the State Board staff has developed a starting point for a vision statement for Business Services in California's One-Stops. He then indicated the vision statement is a first step in the process to eventually bring uniformity to One-Stop services around the state.

Teresa Gonzales began the discussion by providing a brief overview regarding the committee's work which led to the development of a draft vision statement. She outlined the common themes derived from the environmental scan of existing resources for business services.

Among the common themes were:

- The need for strategic planning
- Inconsistencies in business services
- The need for effective partnerships as funding decreases
- Capacity building
- Employers looking for more training services
- Better marketing strategies

At the August 24, 2005 committee meeting, members agreed to explore two themes:

- The uncertainty at the local level regarding the commitment and resources that should be dedicated to business services (strategic planning)
- The inconsistency in the delivery of business services from one local area to another.

Ms. Gonzales described for the committee how staff came to develop a starting point for the vision statement. She indicated that staff surveyed the committee members to obtain their views on two key questions:

- What is the role of business in workforce development?
- What can, or should, business expect from the One-Stop delivery system?

The survey responses received included:

- Business is a partner
- Business wanting to access services at one location
- Local flexibility
- The need for employer training
- Economic development

Based on the information obtained, the committee was presented with a draft vision statement. The draft vision statement is as follows:

“The One-Stop Delivery System, in partnership with California’s business and economic development community, provides effective and efficient professional strategic support to business operations throughout the State, based upon the unique needs of local communities”

A lengthy discussion ensued regarding the vision statement. Paul Saldana wanted the vision statement to reflect three key areas: partnership, local flexibility, and professional services. Warren Jackson asked for an explanation of professional strategic support and said if it is not defined in our vision statement, then where will it be defined? Other comments included:

- Use less bureaucratic language
- Use less words if possible

- Make sure to align with the local economy
- Set the bar high – effective and efficient are not high enough – let’s change to “world class” If we can’t pay with world class money then we need to be cautious if using the term world class
- Our vision statement will be the “key” to local one stops
- Need to ensure that the term “Economic Development Community” is broad and includes non-profits and city governments
- The need to know our intended audience, is it business or government, stakeholders or shareholders?

After the committee approved the basic vision statement, with incorporation of the comments discussed, Brian McMahon indicated that staff will complete the revisions. Mr. Dada indicated that the final version would be e-mailed to all committee members to ensure staff captured the comments accurately before being presented to the full board at the November 30, 2005 State Board meeting.

Update of Proposal for Establishing Basic Business Services

Mr. Dada indicated the general purpose of this effort is to enhance consistency and effectiveness in businesses services throughout California’s One-Stop Delivery System. Javier Romero reported to the committee that staff will convene a Basic Business Services Workgroup. The objectives of the committee will be to: 1) develop basic business services goals and an implementation strategy; and 2) develop guidance for achieving local business services goals, which would entail identifying partnerships and strategies. This workgroup will consist of State Board staff and members from:

- Local Area and One-Stop Operators
- Local Economic Development Organizations
- California Community Colleges, including the Chancellor’s Office
- U.S. Department of Labor
- Employment Development Department

Mr. Romero also presented a timeline for completion of the project. It is anticipated the workgroup will convene several times between December 2005 and February 2006, and be able to provide the Business and Industry Special Committee with recommendations in early spring. Finally, the State Board could communicate to the Local Boards the Basic Business Service Goals.

Update of Joint Survey With California Local Economic Development (CalED)

Mr. Saldana indicated that the joint survey, soon to be released to the 38 Economic Development Corporations (EDCs) in California, would hopefully identify opportunities for economic development entities and the workforce development systems to collaborate in addressing the needs of California’s business and industries. He further discussed the objectives to be achieved by the survey which included:

- Identifying existing programs and services offered throughout the State that are vital to the local business service system. This may include those provided by the EDCs and those provided through local partners (e.g., community colleges, non-profits, chambers, and etc.)
- Identifying instances where EDCs and Local Areas are working closely to provide and support business services. This may provide greater insight to the needs of business and industry and how these partnerships are structured.
- Identifying how the use of information regarding the State's economy (e.g., Regional Economies Project) could be utilized to identify business service needs, methods to fund those services, marketing opportunities, and identify career pathways.

Mr. Saldana ended by saying that the survey results would identify opportunities where the State Board and CalED can partner to achieve common economic and workforce goals as well as identify opportunities for Local Boards to partner with EDCs and others to gain a better understanding of the needs of industry and how to design local systems that are responsive to those needs.

Update of Joint Survey With California Manufactures and Technology Association (CMTA)

Willie Washington indicated that the joint survey, currently under development, is intended to gather information regarding CMTA membership in the following areas:

- The Membership's workforce needs (e.g. skill gaps, recruitment, etc.)
- The current level of awareness and use of the public workforce system

Mr. Washington then stated that the survey would be e-mailed to their client base with a quick timeframe to respond. The survey results will support the development of a report that will be a tool for Local Boards and workforce development partners that will enhance the understanding of the needs of industry and designing local programs that are responsive to those needs. The results will also be an identification of opportunities where the State Board and CMTA can partner to achieve common economic and workforce goals.

Public Comment

Ms. Reyes said she wanted to commend the State Board for its engagement in business services.

Mr. Dada concluded the meeting by indicating that staff would continue work in these areas and would provide an update at the next committee meeting.

**Update on the Workgroup for Establishing a Basic Level of Business
Services in the One-Stops**

**California Workforce Investment Board
Special Committee on Business and Industry
Basic Business Services Workgroup**

Background

The California Workforce Investment Board (State Board) Special Committee on Business and Industry (Committee) concluded, based upon their environmental scan¹, that for California's One-Stops to successfully serve local business communities, each Local Workforce Investment Board must have a well-defined basic level or standard menu of business services. A basic level of business services in each Local Area should entail a service menu based on market needs.

A workgroup was convened to develop a proposal that will be submitted to the Business and Industry Special Committee to accomplish the following:

- Promote a level and direction for basic business services provided in the One-Stop Centers.
- Develop a methodology(ies) to assist Local Workforce Investment Areas to implement basic business services
- Develop the necessary guidance and assessment tools to ensure the quality of business services available in the State's One-Stop system.

Workgroup Progress

The workgroup has met twice. The following highlights the key areas of discussion.

Guiding Principles

1. The workgroup stated that the challenge with developing business services is that it requires a fundamental change of the workforce development system. Traditionally the system has focused on serving the job seeker and the system is moving toward a demand driven system. This entails the restructuring of the workforce development system to effectively serve businesses without disrupting the system's ability to serve job seekers. This all has to be done within existing resources.
2. The workgroup agreed that the State must establish fundamental principles that support the business services vision statement and guide the development and implementation of workforce development services for the business customer.
3. The workgroup agreed that any principles/criteria that are established should be based on ensuring that local business services are based upon employer needs. That is to say, it doesn't matter that you provide a list of services, if those services are not what the employer is asking for.
4. To guide the development of the principles the workgroup outlined the following expectations for the delivery of workforce development services to business and industry:
 - a. Business services must effectively meet employer needs for qualified workers. Local systems must include a mechanism to gather feedback from employers' to measure the effectiveness of services provided (i.e., recidivism).

¹ The environmental scan included a review of the following documents: the California Workforce Association's report "Integration of Business Services, the National Economic Development & Law Center reports, the California Workforce Investment Board Small Business Forums and the UC Davis State Evaluation of WIA.

- b. The workforce development system must demonstrate an understanding of local employers and the industries they represent in order to anticipate and meet employer workforce needs (e.g., cyclical periods). The workforce development system would anticipate that cycle by ensuring trained workers would be available, not waiting for the job order.
- c. Services must be delivered timely based on employer needs. We need to consider and respond to the needs of employers in “real time” rather than government time.
- d. The workforce development system must be a seamless collaboration of local resources and partners, which is based upon the unique needs of each Local Area. This approach entails the coordination and planning with non-WIA funded services.

List of Business Services

- 1. The bundling/clustering of business services is a positive approach in marketing services locally to the business community.
- 2. The local One-Stop service needs to avoid duplication of services provided by local partners.
- 3. Services established should be in a language the private sector can understand.
- 4. Potential statewide categories for business services could include:
 - o Training & Development
 - o Information and Resources
 - o Layoff Assistance/Outplacement services
 - o Recruitment Services
 - o Other (This category is intended to encourage Local Areas to list and develop other categories that are appropriate for their Local Areas.

Quality Assurance

- 1. Business services need to be measured or at a minimum benchmarked.
- 2. The One-Stop system should be advocates for businesses. That is, when an employer comes in with a need, the One-Stops should be the gateway to all resources in the community to address employers’ needs (a “can do” attitude).
- 3. Partnerships are key to quality and comprehensive programs. For example, in Stanislaus County, the Local Board and Economic Development Corporation (EDC) jointly visit and address employer needs to ensure a broader array of services is accessible.
- 4. It is critical that the One-Stop system’s job screening and referral services are highly effective. This service is the first and primary access point for employers to the One-Stops. The EDC representatives stated this service is critical to the economy.

Resources

- 1. The workgroup was unanimous in stating the success of this effort hinges on the development of resources for business services, which entails guidance and the investment of funding by the State.
- 2. The State’s 15% SFP has yet to demonstrate businesses are a priority. That is, the 15% SFP have focused solely on the job seeker, not the employer.
- 3. The State needs to instill the system with incentives for business services, such as, recognition awards or monetary awards.

4. Waivers should be pursued to allow for more flexibility for the use of State and local funds.
5. Best practices needs to be utilized to provide guidance for Local Areas to develop business services.

**Discussion – California Association for Local Economic Development
Survey Results**

Business and Industry Special Committee and California Association for Local Economic Development Joint Survey Report

Background

As directed by the Business and Industry Special Committee, staff in collaboration with the California Association for Local Economic Development (CALED) conducted a joint survey of 58 Economic Development Corporations (EDCs) in California. The survey was conducted during October and November of 2005. The purpose of the survey was to identify opportunities for economic development entities and the workforce development systems to collaborate in addressing the needs of California's businesses and industries.

The EDCs conduct an array of activities under three forms of economic development:

- Assist existing businesses
- Start-up of new businesses
- Attraction of new businesses

According to CALED, a growing trend in economic development is the merging of workforce development and economic development. Additionally, economic development professionals have found that an effective strategy for attracting new businesses is the retention of existing businesses. As demonstrated in the survey findings, business retention is an area of focus that Local Workforce Investment Boards (Local Boards) and EDCs are converging to address.

Survey Findings

A total of 58 EDCs were surveyed with 22 responding, which is a response rate of 38 percent. The following summarizes the survey findings:

The Level of Association Between EDCs and LWIBs

- 50% of the EDCs and Local Areas share information while 33% actually work together on strategic planning.
- 71% of the EDCs do not have workforce development professionals sitting on their boards, however, 50% of the EDCs have staff sitting on the local board.

Of the 50% of the EDCs that sit on local boards, 45% find that this participation has impacted the workforce development and their operations.

- 38% of the EDCs receive funding from an LWIB and 29% reported that they jointly fund activities with an LWIB.
- On a scale of 1 to 5 (5 being very positive), EDCs described their interaction with their Local Board as follows:
 - 29% rated 5 ○ 33% rated 3 ○ 10% rated 1 or unfamiliar
 - 10% rated 4 ○ 19% rated 2
- 57% of the EDCs meet with their Local Board once a week or more than once a month.

Economic Development Planning

- 85% of the EDCs responded that they have an economic development strategy for their region.
- 20% of the Local Boards play a very active role in the EDC's economic development strategy.
- 57% of the EDCs stated that there was an involvement with their Local Boards in business retention and expansion services.

Of these EDCs (57%), 42% described the involvement between the two entities as *very active*.

- The top three industry sectors targeted by EDCs include:
 - Manufacturing at 71%,
 - Education and Health Services at 57%,
 - Professional and Business Services/Construction at 38%.

Additional Partners

- 62% of the EDCs stated that the Community Colleges are an effective program in addressing the business service needs of their business communities.
- Additionally, the following were other programs that were viewed as effective programs in addressing the business service needs:
 - Adult Education providers - 48%
 - Private post secondary training providers - 43%
 - Apprenticeship programs - 43%

Conclusions

Job Retention/Layoff Aversion

The program area that appears to be the most promising and extensive activity between the EDCs and Local Boards are business retention and expansion (57%). This trend is consistent with the current State direction for the workforce development system to become more proactive in averting lay-offs. These existing practices should be promulgated to other Local Boards and EDCs.

Economic Development Planning

The role of the Local Boards in local and/or regional planning should be bolstered. As demonstrated in this survey, 71% of the EDC's boards do not consist of workforce development professionals and 33% of EDCs reported that there was shared planning. Among the required functions of the Local Boards is to coordinate local workforce development activities and carried out in the local area with a linkage to local economic development strategies [WIA §117(d)(7)].

The State Board has invested workforce development resources in the California Regional Economies Project to provide Local Boards a tool to track and forecast trends in the economy, which has been provided in regional forums to Local Boards. This to say, having the Local Boards participate in the EDC's development of an economic strategy would be highly beneficial

due to the Local Board's role in understanding, anticipating, and addressing local/regional workforce needs.

Community Colleges

The State Board should continue to promulgate the resources and the role of community colleges in serving regional businesses, industries, and economies. This is demonstrated by the 62% of EDCs stated that the community colleges provide an effective system in addressing the needs of their business community.

Recommendation

It is the recommendation of the State Board staff that the Business and Industry Special Committee evaluate the opportunity for conducting *regional forums* in partnership with CALED, California Workforce Association, and the Chancellor's Office of California Community Colleges. The forums objectives will be two-part:

- Provide training on business retention and lay-off aversion for workforce development professionals, and
- To discuss the opportunities and benefits of more effectively integrating workforce development and economic development systems in California.

The agenda, curriculum, materials, logistical planning would be developed before July 2006. The actual forums could occur in the summer and fall of 2006. The recommended locations for the forums would be in Northern California, Bay Area, Central Valley, and Southern California.

Outcomes

- The forums will provide training and information to Local Boards and EDCs regarding business retention/lay-off aversion and the integration of the two systems.
- The forum discussion regarding the role of workforce development in economic development will entail the sharing of information between workforce, economic development, and community college professionals, which may result in the identification of the following:
 - Workforce development policy opportunities to target and/or redirect services to assist the two systems to address shared objectives.
 - The need for capacity building in integrating the two systems for developing effective business retention services and economic development strategies.
 - The need for publications of information (e.g., resources, best practices, etc.)
 - Technical assistance for the workforce development system and/or partners regarding issues and objectives that arises from the proposed *regional forums*.

**Discussion – California Manufacturers and Technology Association
Survey Results**

Report on the Business and Industry Special Committee and California Manufacturers and Technology Association Joint Survey

Background

As the Business and Industry Special Committee (Committee) concluded from its initial environmental scan of the service needs of California's businesses and industries, the State could gain a deeper understanding of their needs by partnering more effectively with statewide economic development and industry organizations. To this end, the Special Committee asked staff to conduct a joint survey with the California Manufacturers and Technology Association (CMTA) in order to gather information from the CMTA membership in the following areas:

- Their workforce needs (e.g., skill gaps, recruitment, etc.); and
- Their current level of awareness and use of the public workforce system.

Committee staff subsequently worked with the CMTA to develop an on-line survey instrument that the CMTA distributed to its membership in January 2006. This was done, with the understanding that the response rate to such "opinion" surveys is traditionally low, but that the information gathered through this process could provide suggestions or indicators of the needs that the entire membership might express. Staff and the CMTA believe that this is particularly worthwhile to the degree that survey responses support or validate the results of similar efforts, such as the Small Business Forums that the California Workforce Investment Board conducted in 2002.

A total of 66 surveys were returned. The following summarizes the survey results.

Profile of Targeted CMTA Members

The CMTA has recently experienced an influx of smaller companies (500 or fewer employees) as members due to the need for advocacy regarding the subject of workers compensation. As a result, the survey targeted CMTA members with 500 or fewer employees. The types of facilities the CMTA members participating in the survey operate include manufacturing and distribution. Following are the number of employers who responded, ranked by the number of employees:

- 0-50 (24)
- 500+ (19)
- 101-500 (15)
- 51-100 (8)

Survey Results

Workforce Demand

- The top three barriers to finding and retaining qualified employees, in order of importance, are:
 - ✓ Lack of Job-Specific Skills
 - ✓ Poor Work Ethic
 - ✓ Language Barriers
- The three types of employees that are the most difficult for respondents to recruit, in order of importance, are:
 - ✓ Workers with job-specific skills
 - ✓ Entry-level workers
 - ✓ Supervisory employees
- The skill gaps within their current workforces that respondents reported, in order of importance, are, :
 - ✓ Problem Solving Skills
 - ✓ Job-Specific Skills
 - ✓ Computer Skills
 - ✓ Basic Skills
 - ✓ Interpersonal Skills
- The skill gaps that respondents anticipate with future workers, over the next five years, in order of importance, are, :
 - ✓ Job-Specific Skills
 - ✓ Knowledge of Business/Industry
 - ✓ Problem Solving Skills
 - ✓ Basic Skills
 - ✓ Interpersonal Skills

Note: *Job-specific skills* had the highest number of occurrences related to *skill gaps* in the *current workforce* or anticipated *future skill gap category for CMTA members with 50 or fewer employees*. Many survey respondents indicated that the anticipated skill gaps over the next five years are due to lack of trade specific training programs, such as Career Technical Education/Vocational Education, or the lack of educational attainment.

Awareness of the Public Workforce Development System

- 72% of the survey respondents were not familiar with the public workforce system's One-Stop Career Centers.
- 88% of the survey respondents did not know about or have not used any services provided by the One-Stop Career Centers.

Business Challenges

The most significant business challenges the respondents report facing in California are, in order of importance:

1. **Sustaining and/or acquiring a skilled workforce**
2. Workers' Compensation Insurance Costs
3. Housing Costs
4. Energy Costs
5. Environment Regulations
6. Health Insurance Costs
7. Tax Burden
8. Overtime Rules

Conclusion

The CMTA survey was the result of a partnership between that association and the Committee, and was only one step in the Committee's efforts to understand the workforce needs of California's business and industry. The CMTA survey responses provide support for the general conclusions that the Committee is already considering as a result of the environmental scan and other work that has been accomplished around these issues. Three specific areas on which the Committee may wish to focus emerged from this survey. They are:

- *Job Specific Skills*

The CMTA responses offer suggestions or indicators that affirm the widely recognized skill gaps that exist in California's overall workforce. The survey respondents indicated a need for the development of a workforce that provides workers with job-specific skills, and who also possess problem solving skills, basic skills, a work ethic, and interpersonal skills. As the Committee focuses further on the smaller manufacturers (50 or fewer employees), job-specific skill gaps may be an area of focus.

- *Life-Long Learning*

A majority of survey respondents that identify job-specific skills as an anticipated skill gap attribute this concern to the lack of career/vocational training in the educational system. The Committee can anticipate, therefore, that much of the future workforce may lack job-specific skills and exposure to the workplace, which may compound the existing challenge (second to only health cost) of sustaining and acquiring a skilled workforce.

When examining the issue of current workforce skills gaps, however, problem solving skills and computer skills were identified as the top two concerns. This suggests that the Committee may want to focus on strategies for workplace learning (e.g., incumbent worker training, internships) and dislocated worker services that enhance educational attainment (e.g., literacy and numeracy training) of the

workforce. Moreover, these system developments will be equally necessary in addressing the needs of the future workforce. The matter of basic skills and problem solving are of high concerns to survey respondents as future skills gaps as well.

- *Employer Awareness of One-Stop System*

A majority of the CMTA respondents are not familiar with the services available in the One-Stops. This has emerged as an issue over the years with all business and industry, both in California and nationwide. That is not say that the survey respondents have not been provided information regarding One-Stop centers. It does suggest, however, that the current efforts to provide such information to all business and industry are not effectively convincing employers that the One-Stop system is an important and relevant resource, funded in part by their own taxes, which can assist them in multiple ways in meeting the challenges they face in the new economy.

The challenge of sustaining and acquiring a skilled workforce was ranked second behind health insurance costs as a major challenge facing CMTA employers. The Committee may want to consider how it can assist the system in ensuring the quality of its employer and business services, and market those services more effectively to employers.

In conclusion, the CMTA membership representing the broad manufacturing industry in California, has conveyed that sustaining and acquiring a skilled workforce is a primary challenge to business and industry in the State. This report provides a snapshot relative to issues of primary concern to business and industry and, in doing so, highlights three topics the Committee may want to further explore:

- The job-specific skill gap in the workforce;
- Lifelong learning and the potential for raising the skill level of the current and future workforce; and
- The under use by employers of the One-Stop system.

Discussion – High Wage High Growth Job Strategies

High-Wage, High-Growth Jobs Training Discussion Paper

Background

Among the Business and Industry Special Committee's (Committee) major themes is the *identifying and incorporating high-wage, high-growth jobs into career oriented strategies*. As part of California's efforts to prepare job seekers for high-wage, high skill jobs that help California's businesses succeed and expand, the State has made Governor's WIA Discretionary funding to fund high wage, high growth training projects a priority. Similarly, at the national level, there exists the President's High-Growth Job Training Initiative. This Presidential initiative is intended to strategically prepare workers for new and increasing job opportunities in high growth, high demand and economically vital sectors of the American economy. The U.S. DOL, Employment Training Administration (ETA) website provides the following: "Fields like health care, information technology, and advanced manufacturing have jobs and solid career paths left untaken due to a lack of people qualified to fill them."

As demonstrated by the Committee and California Manufacturing and Technology Association (CMTA) joint survey, the recruitment and training of skilled workers is of great concern to employers. The Committee may wish to examine the State's on-going efforts in strategically shortening the well documented skill gap in the workforce and providing workers access to higher wage career paths.

Additionally, in today's climate of shrinking resources, partnerships will be key to expanding the public workforce developments system's capacity to help workers gain the skills they need to build successful careers in high-wage and high growth industries. Partnerships with elected officials, the private sector, economic development leaders, and educators, should focus on developing solutions to the workforce challenges facing California's industries.

The National Model - High Growth Job Training Initiative

Targeted Industries

The Presidential initiative identified 14 sectors based upon the following criteria*:

- (1) *They are projected to add substantial numbers of new jobs to the economy or affect the growth of other industries; or*
- (2) *They are existing or emerging businesses being transformed by technology and innovation requiring new skills sets for workers.*

Partnerships

The ETA describes the role of partners as follows*:

- *Industry representatives define and design workforce solutions, e.g., getting career and skill information to young people charting their education and career courses; accessing new labor pools; defining core competencies for success on the job;*

*The information was provided on the U.S. DOL, ETA, President's High Growth Job Training Initiative web page <http://www.doleta.gov/BRG/JobTrainInitiative/#president>.

training workers; and building the capacity of educational institutions to train workers.

- *Community colleges and other education providers assist in developing courses and curricula to build skills and train workers.*
- *The public workforce system accesses human capital (youth, unemployed, and dislocated workers) and places prepared workers in jobs.*

Outcomes

ETA identified a core set of priority solution elements that are common to all 14 target industries. These elements include*:

- *Developing a pipeline of young workers;*
- *Building competency models, career ladders, and career lattices for new and incumbent workers;*
- *Expanding postsecondary training alternatives including apprenticeships and community colleges' workforce development programs;*
- *Accessing new and/or untapped labor pools;*
- *Transitioning workers from declining industries;*
- *Developing strategies for retaining incumbent workers and updating their skills; and*
- *Engaging small businesses.*

Next Steps

A continuous underlying objective is to expand the local workforce system's capacity to be demand-driven, responsive to local economic needs, and a contributor to the well being of the California's regional economies. To these ends, the Committee may wish to further examine the State's strategic efforts regarding placing workers in high-wage and high-growth career paths, which could entail:

- Examining the Governor's Discretionary funding priority for high-wage, high-growth job training(e.g., developing additional criteria to optimize the investment)
- Linking and assisting in the efforts of other State Board special committees that are relevant to placing individuals in high wage, high-growth career paths (e.g. Targeted Resources initiative related to the goods movement sector)
- Utilizing existing effective practices and partnerships that have successfully addressed workforce skills gaps (e.g., job specific skills) for businesses in growing, emerging, and evolving industries to enhance future State and local efforts. There are a number of partnerships underway throughout the state, including at least a dozen currently operating with ETA's high-growth training initiative grant funds.

*The information was provided on the U.S. DOL, ETA, President's High Growth Job Training Initiative web page <http://www.doleta.gov/BRG/JobTrainInitiative/#president>.

Public Comment

Other Business that May Come Before the Committee